

**Department of Personnel Administration  
Memorandum**

**TO: Personnel Management Liaisons (PML)**

<b>SUBJECT:</b> Alternate Retirement Program for New Employees	<b>REFERENCE NUMBER:</b> 2004-073
<b>DATE ISSUED:</b> 12/20/04	<b>SUPERSEDES:</b>

This memorandum should be forwarded to:

**Budget Officers  
Employee Benefit Officers  
Personnel Officers  
Personnel Transaction Supervisors**

**FROM:** Department of Personnel Administration  
Savings Plus Program

**CONTACT:** Savings Plus Program  
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Fax: (916) 327-1885

This memo provides additional information about the Alternate Retirement Program (ARP), a mandatory program for new State employees in the "Miscellaneous" and "Industrial" categories. In particular, this information responds to questions that arose during the statewide training sessions that Savings Plus held in October to educate personnel staff about this new program.

For additional background material on ARP eligibility and transaction processing, refer to [PML 2004-040](#) and [PML 2004-052](#).

**Employee Resources**

DPA has posted [Understanding Your Retirement Benefits: A Fact Sheet for New California State Employees](#). Please print it from our Web site to give to new employees or others who have questions about ARP. (We did not produce copies for bulk ordering.)

Our Web site also contains information about other employee benefits, including the [PST Retirement Program](#) (for part-time, seasonal and temporary employees) and the 401(k) and 457 plans offered through the [Savings Plus Program](#).

**"First Employed/First Hired"**

ARP is mandatory for new State employees whose employment meets specific conditions. One of these conditions is that the employee was "first employed/first hired" by the State on or after August 11, 2004. Attendees at our training sessions asked us to clarify the definition of "first employed/first hired."

An individual who has held any State employment prior to August 11, 2004, does **not** meet this condition and, therefore, does **not** fall under ARP.

### **CalPERS Contributions**

Personnel Offices have asked about the process that will be used to change an employee's retirement contribution from ARP to CalPERS. This switch would be effective beginning with the pay period that follows the 24-month anniversary of the employee's CalPERS qualification date (typically the date of hire).

We're still working with the State Controller's Office on the details of this process. Once these details are set, SCO will issue a pay letter with instructions on how to process the change in retirement contributions.

Keep in mind that the earliest it would be necessary to change retirement contributions from ARP to CalPERS is August 2006, 24 months after ARP was first implemented.

### **Other Questions**

For questions about CalPERS Miscellaneous and Industrial eligibility, purchasing CalPERS service credit, health and retirement vesting, and CalPERS forms and publications, please direct your questions to CalPERS at (888) 225-7377.

### **Savings Plus Information**

Customer service representatives from Savings Plus are available to assist personnel offices with ARP questions. Please call (916) 324-2909, Monday through Friday between 8:30 a.m. and 4:00 p.m. If a representative is not available, please leave a message. Your call will be returned as soon as possible.

/s/Lura Franzella

Lura Franzella, Administrator  
Savings Plus Program